

# 2013 CEO PAY SURVEY

*Stock Option Profits Continue to Pave CEOs' Path to the Bank*

By Greg Ruel, Senior Research Analyst



## Data Overview

GMI Ratings' CEO Pay Survey examines changes in executive pay by measuring the median of a matched sample of North American CEOs in office for the whole of the last two years. In 2012, we noted a second consecutive year of double-digit percentage pay increases (from 2010 to 2011). While not in the double-digits this year, Total Realized Pay did increase 8.47% from 2011 to 2012, according to a matched sample of more than 2,200 chief executives. The Total Realized Compensation (realized compensation) increases in excess of 8% far outpaced the roughly 3% increases in Total Annual Compensation (annual compensation) and Base Salary.

All CEO Compensation Changes 2011/2012 (Source: GMI Ratings)			
	Change in Base Salary	Change in Total Annual Compensation	Change in Total Realized Compensation
<b>Number</b>	2,259	2,259	2,259
	%	%	%
<b>Average</b>	2.32%	11.05%	33.57%
<b>Median</b>	2.90%	3.01%	8.47%

## Executive Summary

GMI Ratings' 2013 CEO Pay Survey, among the largest surveys of CEO compensation in North America, is based on analysis of North American publicly traded companies. The survey considers 2,259 CEOs whose tenure spanned the whole of the last two years in order to determine changes in executive compensation from 2011 to 2012. Total Annual Compensation represents annual forms of pay including base salary, bonus, and perquisites, while Total Realized Compensation includes all elements of annual compensation in addition to equity profits, pension value increases as well as gains in the value of deferred compensation plans.

## Key Findings

- CEO Pay increased 8.47% at the median across a matched sample of more than 2,200 North American CEOs.
- S&P 500 pay increased 19.65% at the median.
- Median realized compensation increases were far more prominent at larger companies. While the Russell 2000 saw a 7.62% increase at the median, the figure more than doubles to 15.74% in the Russell 1000.
- Interestingly, median annual compensation increased far more in the Russell 2000 (4.13%) than in the Russell 1000 (1.80%) or the S&P 500 (0.29%).
- This is the first time in the 11-year history of GMI's CEO Pay Survey that two CEOs named in the Top Ten List of Highest Paid CEOs earned more than \$1 billion in a single year, and the first where all 10 CEOs made at least \$100 million.
- Industry segments experiencing the largest increases in CEO pay included Construction Materials; Office Electronics; Personal Products; Hotels, Restaurants & Leisure; and Household Products industries.
- Industry segments experiencing the largest decreases in CEO pay included Auto Components; Semiconductors & Semiconductor Equipment; Independent Power Producers & Energy Traders; and Electronic Equipment, Instruments & Components industries.
- Largest individual single-year gains in Total Realized Compensation include CEOs at DIRECTV (Broadcasting), HCP, Inc. (Healthcare Facilities), ONYX Pharmaceuticals, Inc. (Biotechnology), and TripAdvisor, Inc. (Leisure/Recreation).

### Total Annual Compensation Includes:

- base salary
- bonus
- non-equity incentive compensation
- all other compensation

### Total Realized Compensation Includes:

- total annual compensation
- change in pension and non-qualified deferred compensation (NQDC)
- value realized on exercise of options
- value realized on vesting of other equity
- any payments from a vested
- retirement benefit plan

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## S&P Index

Median increases in Total Realized Compensation were between 7% and 8% at S&P Smallcap and S&P Midcap companies, a decrease from double digit jumps a year ago. However, median increases were more than twice as high (19.65%) at companies in the S&P 500. This increase is even higher than last year, when S&P 500 CEOs experienced a 13.78% increase in pay at the median. Interestingly, annual pay increases were just 0.29% at the median for S&P 500 CEOs, smaller than gains at S&P Smallcaps and Midcaps. The largest annual pay increases were found at S&P Smallcaps, where executives are more likely to receive a larger salary than outsized equity awards.

Compensation Changes Across the S&P Index 2011/2012 (Source: GMI Ratings)				
		Change in Base Salary	Change in Total Annual Compensation	Change in Total Realized Compensation
<b>S&amp;P Smallcaps</b>	<b>Number</b>	473	473	473
		%	%	%
	<b>Average</b>	2.93%	11.60%	30.38%
	<b>Median</b>	2.91%	2.98%	7.78%
<b>S&amp;P Midcaps</b>	<b>Number</b>	308	308	308
		%	%	%
	<b>Average</b>	1.61%	4.50%	26.07%
	<b>Median</b>	2.81%	0.45%	7.09%
<b>S&amp;P 500</b>	<b>Number</b>	379	379	379
		%	%	%
	<b>Average</b>	1.39%	3.67%	55.18%
	<b>Median</b>	2.00%	0.29%	19.65%

While salary, bonuses, and perks remained relatively flat in the S&P 500, it was the profits made from the exercise of stock options and the vesting of restricted stock that represented the bulk of pay in the index. Examples include Michael D. White, third-year CEO of DIRECTV, who saw a realized compensation increase from \$5.7 million in 2011 to \$50.8 million in 2012. The increase occurred when Mr. White exercised more than one million stock options (worth \$18 million) and saw more than a half million units of restricted stock vest (worth \$26.8 million), all equity granted in a CEO Golden Hello. The company's stock price has climbed about 80% over the past three years.

At the other end of the tenure spectrum is Leslie Wexner, who made \$58.7 million in his 50th year as CEO of L Brands, Inc. (formerly known as Limited Brands, Inc.). Mr. Wexner, who was 25 when he started the company, owns about 18% of the corporation's stock while continuing to receive large equity grants annually. The company's stock has grown by more than 200% from three years ago.

Two heads of S&P 500 information technology companies also saw extraordinary gains in 2012. Stephen J. Luczo of Seagate Technology made \$38.9 million in 2012 (his fourth year as CEO) after earning an average of about \$4 million in the two years prior. Similarly at NCR Corporation, CEO William R. Nuti made about \$41 million in realized compensation in his eighth year as CEO while pocketing an average of \$5 million in each of the prior two years. In each case, it was the vesting of restricted stock and the exercise of options that comprised about 90% of compensation, with strong showings in TSR for each company over the last three-year period. Indeed, while the performance at companies headed by these top earners has been strong, it was the sheer volume of the equity awards at the time of grant that produced these windfall profits just a few years later. For instance at a company like Oracle Corporation, where performance has not been as strong, CEO Lawrence J. Ellison has made more than \$851 million in option exercise profits over the past six years, stemming from annual grants of seven million stock options each year.

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Compensation Values Across the S&P Index 2011/2012 (Source: GMI Ratings)				
2012		Base Salary	Total Annual Compensation	Total Realized Compensation
S&P Smallcaps	Number	473	473	473
	Average	\$666,502	\$1,483,002	\$3,510,655
	Median	\$633,563	\$1,232,659	\$2,437,372
S&P Midcaps	Number	308	308	308
	Average	\$842,866	\$2,256,825	\$6,976,950
	Median	\$850,000	\$1,882,936	\$4,961,447
S&P 500	Number	379	379	379
	Average	\$1,162,319	\$4,084,283	\$17,518,646
	Median	\$1,050,128	\$3,230,138	\$11,952,669
2011		Base Salary	Total Annual Compensation	Total Realized Compensation
S&P Smallcaps	Number	473	473	473
	Average	\$640,185	\$1,450,034	\$3,252,109
	Median	\$602,308	\$1,201,346	\$2,206,302
S&P Midcaps	Number	308	308	308
	Average	\$822,458	\$2,279,412	\$6,722,907
	Median	\$800,000	\$1,939,844	\$4,641,808
S&P 500	Number	379	379	379
	Average	\$1,136,704	\$4,294,570	\$13,749,369
	Median	\$1,030,289	\$3,258,911	\$9,841,764

The table above shows the average value of base salary, annual compensation, and realized compensation across the S&P1500 Index in each of the past two years. Overall, there are slight increases in dollar amounts across the board for S&P Smallcaps and S&P Midcaps, with the exception of a slight decrease in value for S&P Midcap annual compensation. In the S&P 500, base salary values increased ever so slightly while annual compensation figures decreased by a similarly small percentage. In terms of Total Realized Compensation, the median value of S&P 500 packages rose more than 20%, from \$9.8 million to nearly \$12 million. The average value of a realized compensation pay package across the S&P 500 rose more than 27% from \$13.7 million to \$17.5 million.

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## Russell Index

Base salary changes were similar across both the Russell 1000 and Russell 2000 indices, with gains between 2% and 3%. In terms of annual compensation, average gains in the Russell 2000 (13.73%) were nearly twice those of the Russell 1000 (6.93%). The opposite is true in terms of realized compensation, where Russell 1000 CEOs enjoyed a larger median increase of 15.74%, twice the amount (7.62%) of Russell 2000 CEOs. This comparison is quite similar to the S&P Index comparison illustrated above, where S&P 500 CEOs made more than twice the median realized compensation gains of the smaller companies in the S&P Midcaps and S&P Smallcaps.

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Compensation Changes Across the Russell Index 2011/2012 (Source: GMI Ratings)				
		Change in Base Salary	Change in Total Annual Compensation	Change in Total Realized Compensation
Russell 2000	Number	1,349	1,349	1,349
	Average	2.00%	13.73%	27.83%
	Median	2.91%	4.13%	7.62%
Russell 1000	Number	745	745	745
	Average	2.53%	6.93%	48.13%
	Median	2.56%	1.80%	15.74%

At LinkedIn, fourth-year CEO Jeffrey Weiner was granted nearly 4 million stock options in February 2009. In 2012, he exercised about 20% of those options for a profit of almost \$75 million, representing 95% of his \$78 million in realized compensation. At Expedia, Inc., another internet based company, eighth-year CEO Dara Khosrowshahi had previously realized compensation between \$5 million and \$6 million annually from 2007 to 2011. In 2012, Mr. Khosrowshahi earned \$33.6 million on option exercises and the vesting of restricted stock, amounting to 87% of his \$38.5 million in realized compensation for the year.

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Two biotechnology CEOs in the Russell 1000 also saw extraordinary pay gains in 2012. At ONYX Pharmaceuticals, fifth-year CEO N. Anthony Coles had one of the largest increases in total pay of any CEO in the survey, leaping from \$2.7 million in realized compensation in 2011 to \$22.4 million in 2012. In 2008, Mr. Coles had been granted 350,000 options at a strike price of \$29.03 and in 2009, he received another 105,000 options at \$28.55, in addition to restricted stock. He exercised the options toward the second half of 2012 as the company share price increased to about \$75 a share.

At Regeneron Pharmaceuticals, Inc., 25th year CEO and founder Dr. Leonard Schleifer, who incidentally serves with six other directors with tenures between 22 and 25 years, made \$52.5 million in 2012. Dr. Schleifer was granted nearly a million options from 2008 to 2010, with strike prices ranging from \$16.80 to \$30.63, and was granted 400,000 options in 2011 at a strike price of \$52.03. Since then, the company's stock has increased dramatically, reaching a high of nearly \$190 in 2012 and more than \$316 in 2013. It took just 543,757 options exercised to profit more than \$49 million in 2012, comprising 93% of his realized compensation for the year.

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Compensation Values Across the Russell Index 2011/2012 (Source: GMI Ratings)				
2012		Base Salary	Total Annual Compensation	Total Realized Compensation
Russell 2000	Number	1,349	1,349	1,349
	Average	\$615,356	\$1,390,961	\$2,895,778
	Median	\$570,000	\$1,034,591	\$1,814,588
Russell 1000	Number	745	745	745
	Average	\$1,018,595	\$3,446,751	\$13,176,105
	Median	\$987,212	\$2,583,905	\$8,124,542
2011		Base Salary	Total Annual Compensation	Total Realized Compensation
Russell 2000	Number	1,349	1,349	1,349
	Average	\$590,760	\$1,323,507	\$2,790,456
	Median	\$546,100	\$1,010,985	\$1,663,004
Russell 1000	Number	745	745	745
	Average	\$989,045	\$3,402,337	\$10,793,773
	Median	\$950,000	\$2,647,446	\$7,250,582

## The Top Ten Highest Paid CEOs of 2012

The list of highest paid CEOs of 2012 is extraordinary for several reasons. It is the first time one of GMI's pay surveys has ever featured more than one CEO who received more than \$1 billion in compensation in a single year. It is also by far the highest total value of any annual top 10 list, totaling about \$4.7 billion; it is also the first time each member of the top 10 earned \$100 million or more. Also for the first time, the list even features the same name in more than one slot. : This list is also a shining example of the unintended consequences of large option grants, as option profits account for \$3.3 billion of the total realized compensation earned by the group.

Top Ten Highest Paid CEOs 2012 (Source: GMI Ratings)

Company Name	CEO Name	Total Actual Comp	Base Salary	Bonus	Cash Bonus	Perquisites	Number of Options Exercised	Option Value Realized	Shares Acquired On Vesting	Value Realized On Vesting
Facebook, Inc.	Mark Zuckerberg	\$2,278,668,214	\$503,205	\$266,101	\$0	\$1,221,408	60,000,000	\$2,276,677,500	0	\$0
Kinder Morgan, Inc.	Richard D. Kinder	\$1,116,685,089	\$1	\$0	\$0	\$0	0	\$0	31,562,473	\$1,116,685,088
Sirius XM Radio Inc.	Mel Karmazin	\$255,355,676	\$1,500,000	\$9,500,000	\$0	\$7,500	120,000,000	\$244,348,176	0	\$0
Liberty Media Corporation	Gregory B. Maffei	\$254,890,638	\$875,109	\$0	\$2,223,467	\$252,323	3,177,957	\$250,184,531	13,927	\$1,355,208
Apple Inc.	Timothy D. Cook	\$143,828,867	\$1,357,718	\$0	\$2,800,000	\$17,274	0	\$0	237,500	\$139,653,875
Dick's Sporting Goods, Inc.	Edward W. Stack	\$142,052,496	\$1,019,231	\$0	\$2,010,766	\$104,909	3,696,000	\$137,025,054	35,550	\$1,692,536
Liberty Interactive Corporation	Gregory B. Maffei	\$136,450,484	\$778,641	\$0	\$2,641,866	\$193,395	12,317,252	\$132,218,707	32,000	\$617,875
Starbucks Corporation	Howard Schultz	\$117,562,601	\$1,482,692	\$0	\$2,308,500	\$220,733	2,759,000	\$103,312,475	237,987	\$10,238,201
salesforce.com, inc.	Marc Benioff	\$109,544,875	\$1,000,000	\$0	\$1,302,000	\$934,829	3,300,000	\$106,308,046	0	\$0
Verisk Analytics, Inc.	Frank J. Coyne	\$100,432,117	\$1,000,000	\$0	\$3,000,000	\$75,991	2,400,000	\$95,763,783	5,630	\$264,441

## Top Ten Details

First year CEO Mark Zuckerberg tops this year's list with \$2.28 billion in Total Realized Compensation, comprised almost entirely of stock option profits. He exercised 60 million stock options, granted in 2005 and fully vested by 2010, at a strike price of just six cents. When Facebook went public in May 2012, Mr. Zuckerberg profited more than \$2.7 billion dollars on the difference between the six cents strike price on 60 million options and the company's IPO share price of about \$38. Lest anyone think these are merely paper profits, readers may recall that Mr. Zuckerberg immediately liquidated more than \$1 billion worth of shares at the company's IPO. The second largest form of compensation for Mr. Zuckerberg was perquisites totaling about \$1.2 million, including personal use of company aircraft during 2012 for him and guests as well as security costs.

*"Lest anyone think these are merely paper profits, readers may recall that Mr. Zuckerberg immediately liquidated more than \$1 billion worth of shares at the company's IPO."*

Richard D. Kinder of Kinder Morgan, Inc. (#2) is the other member of this year's billionaire club. Though he earned Total Annual Compensation of just one dollar, Mr. Kinder made restricted stock profits of more than \$1.1 billion in 2012. The vested stock profits occurred when he converted more than 30 million Class B shares into common stock, though Mr. Kinder does disclaim about a third of these as shares with value realized by a limited partnership. The vesting profits follow nearly \$60 million in profits from vested stock in 2011.

Coming in fourth and seventh on the Top 10 of 2012 list is Gregory B. Maffei, though his combined realized compensation totals for both roles (more than \$391 million) would have ranked him third on the list overall. He serves as CEO of both Liberty Media Corporation and Liberty Interactive Corporation, two publicly traded companies traded under different ticker symbols with separate proxy statements and compensation packages. In each role, Mr. Maffei receives a significant amount of stock options.

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Mr. Maffei profited more than \$250 million on the exercise of 3.1 million options at Liberty Media Corporation in 2012, roughly half the grant of the nearly six million options he received in 2009. As head of Liberty Interactive Corporation, Mr. Maffei exercised an additional 12.3 million options for a profit of more than \$132 million. This was mainly the result of a newly designed "Option Modification Program", constructed by the compensation committee for tax purposes. However, he was granted an additional \$42 million in options at Liberty Interactive in 2012, bringing his tally to \$95.6 million worth of fresh stock options in 2012.

At the end of 2011, Mel Karmazin (#3) of Sirius XM Radio Inc. held 120 million options at a strike price of just 43 cents. He began exercising these options in April 2012, and as the stock climbed from the \$2 range to about \$3, he profited more than \$244 million. His options were liquidated by November and he left the company in December 2012, with the majority of his non-equity compensation coming in the form of a \$9.5 million discretionary bonus. Another member of the Top Ten list, Frank Coyne of Verisk Analytics, Inc. (#10), also made the list by exercising options in his final year as CEO. At the end of 2011, still holding more than 3 million options with strike prices of \$3.10 and \$8.40, he exercised options throughout the year at prices between \$45 and \$65. In total, he exercised 2.4 million options for a profit of \$95.7 million, and made about \$248 million in option profits in just the last four years.

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When Timothy D. Cook started as CEO of Apple Inc. in August 2011, he was granted 1 million restricted stock units, an award the company says "should be viewed as compensation over the 10-year vesting period and not solely as compensation for 2011." However, those awards won't begin to vest until 2016. The equity grants that earned Mr. Cook nearly \$140 million in restricted stock profits in 2012 were the remainder of grants from 2008 and 2010. The eighth-highest earning CEO of the year is Howard Schultz of Starbucks Corporation, who made more than \$103 million on the exercise of 2.8 million options in 2012. Mr. Schultz, who re-assumed the role of CEO in 2008 and has a 28 year board tenure, was also granted nearly \$25 million in new equity in 2012.

*"The eighth-highest paid CEO of the year is Howard Schultz of Starbucks Corporation, who made more than \$103 million on the exercise of 2.8 million options in 2012. The fifth-year CEO was granted nearly \$25 million in new equity in 2012, and has made \$191.5 million in combined stock option profits over the past four years."*

The last two CEOs in this year's Top Ten are Edward W. Stack of Dick's Sporting Goods, Inc. (#6) and Marc Benioff of salesforce.com, Inc. (#9), each of whom made 96% and 97% of Total Realized Compensation in the form of stock option profits. Mr. Stack exercised nearly 4 million options in 2012, his 29th year as CEO of Dick's, for a profit of more than \$137 million. The options had a strike price of \$11.44 and were due to expire in October 2013. Mr. Stack exercised the options between May and September of 2012, when shares traded around \$50. At salesforce, 12th year CEO Marc

Benioff exercised 3.3 million options for a profit of \$106.3 million, the first set of options he had exercised in over five years. Mr. Benioff now owns more than 42 million company shares or 7.2% of all shares outstanding, and yet was granted new options in the amount of \$18.9 million in 2012. The 2012 equity grant follows a \$14.5 million stock option grant in 2012 and \$19 million in 2011.

## Industry Changes

The table below illustrates industry changes by measuring the average increase or decrease for each CEO in that industry. Only those CEOs in office for the whole of the last two years are included in the analysis. Overall, the largest gains were seen in the Construction Materials; Office Electronic; Personal Products; Hotels, Restaurants & Leisure; and Household Products Industries. The largest decreases were observed in the Auto Components, Semiconductors & Semiconductor Equipment, Independent Power Producers & Energy Traders, and Electronic Equipment, Instruments & Components Industries.

*“Overall, the largest gains were seen in the Construction Materials; Office Electronic; Personal Products; Hotels, Restaurants & Leisure; and Household Products Industries.”*

Average Industry Changes (Source: GMI Ratings)	
Industry	Average Change
Construction Materials	90.77%
Office Electronics	89.89%
Personal Products	72.69%
Hotels, Restaurants & Leisure	70.76%
Household Products	69.21%
Chemicals	62.46%
Biotechnology	61.89%
Trading Companies & Distributors	58.66%
Internet Software & Services	56.62%
Specialty Retail	55.46%
Life Sciences Tools & Services	55.29%
Building Products	55.02%
Health Care Technology	52.80%
Wireless Telecommunication Services	52.17%
Insurance	47.47%
Consumer Finance	46.41%
Media	45.70%
Pharmaceuticals	45.61%
Distributors	45.06%
Health Care Providers & Services	44.87%
Real Estate Investment Trusts (REITs)	43.43%
IT Services	43.07%
Oil, Gas & Consumable Fuels	42.94%
Electric Utilities	42.11%
Professional Services	42.10%
Computers & Peripherals	41.66%
Diversified Financial Services	41.29%
Internet & Catalog Retail	40.42%
Software	39.20%
Automobiles	38.33%
Machinery	36.36%
Household Durables	35.88%
Industrial Conglomerates	35.45%



## Average Industry Changes (Source: GMI Ratings)

Industry	Average Change
Construction & Engineering	34.78%
Diversified Consumer Services	34.01%
Containers & Packaging	32.58%
Leisure Equipment & Products	32.21%
Capital Markets	31.94%
Commercial Banks	30.23%
Food Products	28.11%
Paper & Forest Products	27.50%
Commercial Services & Supplies	26.88%
Aerospace & Defense	25.32%
Gas Utilities	24.23%
Road & Rail	23.89%
Multiline Retail	23.05%
Beverages	22.34%
Food & Staples Retailing	20.68%
Health Care Equipment & Supplies	19.71%
Diversified Telecommunication Services	19.24%
Textiles, Apparel & Luxury Goods	16.76%
Electrical Equipment	16.27%
Multi-Utilities	11.93%
Thriffs & Mortgage Finance	11.24%
Energy Equipment & Services	11.12%
Airlines	10.01%
Marine	5.59%
Tobacco	4.48%
Metals & Mining	4.42%
Real Estate Management & Development	4.20%
Water Utilities	1.22%
Air Freight & Logistics	0.83%
Communications Equipment	0.43%
Electronic Equipment, Instruments & Components	-2.61%
Independent Power Producers & Energy Traders	-2.73%
Semiconductors & Semiconductor Equipment	-6.00%
Auto Components	-14.00%

Two CEOs in particular helped propel the average for the Construction Materials Industry. At Texas Industries, Inc., an S&P Midcap, ninth-year CEO Mel G. Brekhus earned roughly the same annual compensation as the prior year, around \$700,000. However in 2012, Mr. Brekhus exercised more than 3.5x the number of stock options as he did the prior year, increasing his Total Realized Compensation from \$1 million to \$4.4 million. At Headwaters Inc., an S&P Smallcap, CEO Kirk A. Benson made 139% more in his 14th year as CEO than he did the year before. Shares at Headwaters are up 150% over the past three years, propelling vested stock profits, and Mr. Benson received a cash bonus of more than \$2 million for beating a consolidated cash flow metric.

Ten of the 14 CEOs measured in the Auto Components Industry made less in 2012 than they did in 2011. At Gentex Corporation, an S&P MidCap, 18th year CEO Fred Bauer made about \$2.5 million last year, including about \$2 million in options profits. Despite holding more than 400,000 exercisable

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options as of 2011 year-end, he exercised none of them in 2012; this resulted in just \$757,853 in total realized compensation for 2012 and a decline of 70% from the year prior. In his tenth year as head of Largecap TRW Automotive Holdings Corp., CEO John C. Plant made about 16% less than the prior year, representing a decline from about \$36 million to roughly \$30 million. While much of the difference is the result of lower equity profits, Mr. Plant did receive almost \$10 million in pension increases since the prior year, and continues to receive more than \$600k a year in perks including car, financial counseling, country club membership, spouse travel, medical premiums, tax gross-ups, 401k, and a matching contribution from that company on an additional retirement account.

## Conclusion

Our 2013 CEO pay survey marks a third straight year of significant realized compensation increases for North American CEOs. Indeed, the median change in realized compensation from 2011 to 2012 was more than 8%, less than the double-digit increases of the prior two years but still substantial. However, with minimal increases in Total Annual Compensation across our sample, including base salary, the primary trend throughout the survey is that large pay increases in 2012 were mainly fueled by the exercise of large blocks of stock options and the vesting of outsized restricted stock grants.

While stock options are intended to align the interests of senior executives with shareholders, the unintended consequence of these grants is often windfall profits that come from small share price increases. With option grants numbering in the hundreds of thousands or even millions, CEOs at large companies in particular are able to profit by the millions for any positive gain over the strike price of their options.<sup>15</sup> Furthermore, as Mark Zuckerberg showed when he sold \$1 billion worth of stock at Facebook's IPO, these paper profits can quickly be converted into cash and taken to the bank.

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## Appendix

### Methodology

#### Source Data

GMI Ratings analyzed compensation at North American companies for fiscal 2012 drawing from 2,955 proxy statements filed between September 2012 and the start of September 2013. To examine changes in CEO compensation from fiscal 2011 to 2012, we studied a subsample of this data set comprised of compensation figures for 2,259 CEOs who had been in their positions for the whole of the two most recent fiscal years. Pay changes were calculated by determining the average increase or decrease in pay from fiscal year 2011 to fiscal year 2012 for each CEO in our matched sample.

#### Definitions of Compensation

GMI Ratings primarily uses two measures of compensation: total annual compensation (which excludes equity compensation) and total realized compensation (which includes equity, but measures it by actual market values at the time of vesting or exercise, rather than by accounting estimates).

#### Total annual compensation includes:

- Base salary
- Bonus
- Non-equity incentive compensation
- All other compensation (perquisites and benefits)

#### Total realized compensation includes:

- Total annual compensation
- Change in Pension and Non-Qualified Deferred Compensation (NQDC)
- Value realized on exercise of options
- Value realized on vesting of other equity, and
- Any payments from a vested retirement benefit plan

Because we handle equity compensation this way, our total realized compensation represents compensation that has actually been received by the CEO, rather than any notional estimates, accounting costs, or other uncertainties. For this reason, GMI Ratings' figures will differ from those of many other commentators and pay survey producers. While other figures have value for certain purposes, GMI Ratings continues to be more interested in outcomes rather than inputs – real compensation rather than estimated compensation.

### Say on Pay Failures 2013 (as of Oct 1, 2013)

Say on Pay Failures 2013						
Company Name	Ticker	Proxy Year	Votes Won	Votes Yes Pctg	Index Russell	Index SP
Alexandria Real Estate Equities, Inc.	ARE	2013	No	8.71%	Russell 1000	S&P Midcaps
Helen of Troy Limited	HELE	2013	No	12.21%	Russell 2000	S&P Smallcaps
Gleacher & Company, Inc.	GLCH	2013	No	15.52%		
Children's Place Retail Stores, Inc. (The)	PLCE	2013	No	17.33%	Russell 2000	S&P Smallcaps
Navistar International Corporation	NAV	2013	No	17.83%	Russell 1000	
Boston Properties, Inc.	BXP	2013	No	19.40%	Russell 1000	S&P 500
Abercrombie & Fitch Co.	ANF	2013	No	19.58%	Russell 1000	S&P 500
VeriFone Systems, Inc.	PAY	2013	No	20.72%	Russell 1000	S&P Midcaps
McKesson Corporation	MCK	2013	No	21.76%	Russell 1000	S&P 500
Kilroy Realty Corporation	KRC	2013	No	22.45%	Russell 1000	S&P Midcaps

## Say on Pay Failures 2013 (cont.)

Company Name	Ticker	Proxy Year	Votes Won	Votes Yes Pctg	Index Russell	Index SP
Annaly Capital Management, Inc.	NLY	2013	No	27.70%	Russell 1000	
Everest Re Group, Ltd.	RE	2013	No	28.72%	Russell 1000	S&P Midcaps
Freeport-McMoRan Copper & Gold Inc.	FCX	2013	No	29.12%	Russell 1000	S&P 500
Healthways, Inc.	HWAY	2013	No	30.05%	Russell 2000	S&P Smallcaps
Dendreon Corporation	DNDN	2013	No	31.05%	Russell 2000	
Big Lots, Inc.	BIG	2013	No	31.25%	Russell 1000	S&P Midcaps
Spectrum Pharmaceuticals, Inc.	SPPI	2013	No	31.43%	Russell 2000	S&P Smallcaps
Axis Capital Holdings Limited	AXS	2013	No	32.06%	Russell 1000	
Stillwater Mining Company	SWC	2013	No	32.10%	Russell 2000	S&P Smallcaps
Comstock Resources, Inc.	CRK	2013	No	32.78%	Russell 2000	S&P Smallcaps
Dynamic Materials Corporation	BOOM	2013	No	33.26%	Russell 2000	
Biglari Holdings Inc.	BH	2013	No	33.29%	Russell 2000	S&P Smallcaps
Gentiva Health Services, Inc.	GTIV	2013	No	35.07%	Russell 2000	S&P Smallcaps
Nabors Industries Ltd.	NBR	2013	No	36.22%	Russell 1000	S&P 500
Atlas Air Worldwide Holdings, Inc.	AAWW	2013	No	37.91%	Russell 2000	S&P Smallcaps
Tutor Perini Corporation	TPC	2013	No	38.20%	Russell 2000	
Volcano Corporation	VOLC	2013	No	38.28%	Russell 2000	
Golden Star Resources Ltd.	GSS	2013	No	38.35%		
Digital Generation, Inc.	DGIT	2013	No	38.72%	Russell 2000	S&P Smallcaps
Cogent Communications Group, Inc.	CCOI	2013	No	39.29%	Russell 2000	
FTI Consulting, Inc.	FCN	2013	No	40.94%	Russell 2000	S&P Midcaps
Nuance Communications, Inc.	NUAN	2013	No	41.21%	Russell 1000	
East West Bancorp, Inc.	EWBC	2013	No	41.62%	Russell 1000	S&P Midcaps
Discovery Laboratories, Inc.	DSCO	2013	No	41.84%		
LifePoint Hospitals, Inc.	LPNT	2013	No	43.21%	Russell 1000	S&P Midcaps
Wave Systems Corp.	WAVX	2013	No	44.19%		
Vocus, Inc.	VOCS	2013	No	44.92%	Russell 2000	
Ralcorp Holdings, Inc.	RAH	2013	No	44.95%		
Layne Christensen Company	LAYN	2013	No	45.10%	Russell 2000	
OraSure Technologies, Inc.	OSUR	2013	No	45.45%	Russell 2000	
RadioShack Corporation	RSH	2013	No	46.24%	Russell 2000	
OpenTable, Inc.	OPEN	2013	No	47.31%	Russell 2000	S&P Smallcaps
Hercules Technology Growth Capital, Inc.	HTGC	2013	No	47.56%	Russell 2000	
Consolidated Water Co. Ltd.	CWCO	2013	No	47.93%	Russell 2000	

**Say on Pay Failures 2013 (cont.)**

Company Name	Ticker	Proxy Year	Votes Won	Votes Yes Pctg	Index Russell	Index SP
Capstone Turbine Corporation	CPST	2013	No	48.36%	Russell 2000	
Jos. A. Bank Clothiers, Inc.	JOSB	2013	No	48.43%	Russell 2000	S&P Smallcaps
Middleby Corporation (The)	MIDD	2013	No	48.48%	Russell 2000	
Delcath Systems, Inc.	DCTH	2013	No	48.89%		
Spansion Inc.	CODE	2013	No	48.96%	Russell 2000	
Sonus Networks, Inc.	SONS	2013	No	49.04%	Russell 2000	
Pain Therapeutics, Inc.	PTIE	2013	No	49.07%		
Active Network, Inc. (The)	ACTV	2013	No	49.48%	Russell 2000	
Ultimate Software Group, Inc. (The)	ULTI	2013	No	49.52%	Russell 2000	
Strategic Hotels & Resorts, Inc.	BEE	2013	No	49.61%	Russell 2000	
Geron Corporation	GERN	2013	No	49.64%	Russell 2000	
Apache Corporation	APA	2013	No	49.82%	Russell 1000	S&P 500

**Near Say on Pay Failures 2013 (Less Than 75% Support)**

Company Name	Ticker	Proxy Year	Votes Won	Votes Yes Pctg	Index Russell	Index SP
Health Care REIT, Inc.	HCN	2013	Yes	50.03%	Russell 1000	S&P 500
SL Green Realty Corp.	SLG	2013	Yes	50.18%	Russell 1000	S&P Midcaps
MDC Partners Inc.	MDCA	2013	Yes	50.25%	Russell 2000	
CONSOL Energy Inc.	CNX	2013	Yes	50.34%	Russell 1000	S&P 500
Doral Financial Corporation	DRL	2013	Yes	50.53%	Russell 2000	
Dynamics Research Corporation	DRCO	2013	Yes	50.53%		
Lender Processing Services, Inc.	LPS	2013	Yes	50.70%	Russell 1000	S&P Midcaps
Lincoln Educational Services Corporation	LINC	2013	Yes	51.31%	Russell 2000	S&P Smallcaps
ITC Holdings Corp.	ITC	2013	Yes	51.56%	Russell 1000	
Ampco-Pittsburgh Corporation	AP	2013	Yes	51.63%	Russell 2000	
Target Corporation	TGT	2013	Yes	51.72%	Russell 1000	S&P 500
Iconix Brand Group, Inc.	ICON	2013	Yes	52.09%	Russell 2000	S&P Smallcaps
Stifel Financial Corp.	SF	2013	Yes	52.34%	Russell 2000	S&P Smallcaps
athenahealth, Inc.	ATHN	2013	Yes	52.42%	Russell 2000	
Live Nation Entertainment, Inc.	LYV	2013	Yes	52.54%	Russell 2000	S&P Smallcaps
Cypress Semiconductor Corporation	CY	2013	Yes	52.59%	Russell 2000	S&P Midcaps
W. R. Berkley Corporation	WRB	2013	Yes	52.81%	Russell 1000	S&P Midcaps
Titan International, Inc.	TWI	2013	Yes	53.02%	Russell 2000	S&P Smallcaps
Level 3 Communications, Inc.	LVLT	2013	Yes	53.14%	Russell 1000	
Rovi Corporation	ROVI	2013	Yes	53.19%	Russell 1000	S&P Midcaps
Rigel Pharmaceuticals, Inc.	RIGL	2013	Yes	53.24%	Russell 2000	

## Near Say on Pay Failures 2013 (Less Than 75% Support) (cont.)

Company Name	Ticker	Proxy Year	Votes Won	Votes Yes Pctg	Index Russell	Index SP
LogMeIn, Inc.	LOGM	2013	Yes	53.30%	Russell 2000	S&P Smallcaps
Leucadia National Corporation	LUK	2013	Yes	53.47%	Russell 1000	S&P 500
POZEN Inc.	POZN	2013	Yes	53.60%	Russell 2000	
Hecla Mining Company	HL	2013	Yes	53.72%	Russell 2000	
Sensient Technologies Corporation	SXT	2013	Yes	54.00%	Russell 2000	S&P Midcaps
ITT Educational Services, Inc.	ESI	2013	Yes	54.24%	Russell 2000	S&P Smallcaps
Career Education Corporation	CECO	2013	Yes	54.39%	Russell 2000	S&P Smallcaps
Shutterfly, Inc.	SFLY	2013	Yes	54.45%	Russell 2000	
Sotheby's	BID	2013	Yes	54.73%	Russell 2000	S&P Midcaps
DTS, Inc.	DTSI	2013	Yes	54.80%	Russell 2000	S&P Smallcaps
Simon Property Group, Inc.	SPG	2013	Yes	55.06%	Russell 1000	S&P 500
Goodyear Tire & Rubber Company (The)	GT	2013	Yes	55.06%	Russell 1000	S&P 500
Avon Products, Inc.	AVP	2013	Yes	56.06%	Russell 1000	S&P 500
Crown Holdings, Inc.	CCK	2013	Yes	56.09%	Russell 1000	
TiVo Inc.	TIVO	2013	Yes	56.39%	Russell 2000	
Cheniere Energy, Inc.	LNG	2013	Yes	56.65%	Russell 1000	
ServiceSource International, Inc.	SREV	2013	Yes	57.08%	Russell 2000	
General Dynamics Corporation	GD	2013	Yes	57.43%	Russell 1000	S&P 500
Walt Disney Company (The)	DIS	2013	Yes	57.63%	Russell 1000	S&P 500
American Axle & Manufacturing Holdings, Inc.	AXL	2013	Yes	57.92%	Russell 2000	
Enzo Biochem, Inc.	ENZ	2013	Yes	58.23%		S&P Smallcaps
Marvell Technology Group Ltd.	MRVL	2013	Yes	58.36%	Russell 1000	
Magellan Health Services, Inc.	MGLN	2013	Yes	58.48%	Russell 2000	S&P Smallcaps
Solta Medical, Inc.	SLTM	2013	Yes	58.56%	Russell 2000	
FirstEnergy Corp.	FE	2013	Yes	58.78%	Russell 1000	S&P 500
ProLogis, Inc.	PLD	2013	Yes	59.10%		S&P 500
Polycom, Inc.	PLCM	2013	Yes	59.12%	Russell 1000	S&P Midcaps
Vantage Drilling Company	VTG	2013	Yes	59.44%	Russell 2000	
iRobot Corporation	IRBT	2013	Yes	59.55%	Russell 2000	S&P Smallcaps
Apple Inc.	AAPL	2013	Yes	59.70%	Russell 1000	S&P 500
eBay Inc.	EBAY	2013	Yes	59.74%	Russell 1000	S&P 500
Electro Scientific Industries, Inc.	ESIO	2013	Yes	59.86%	Russell 2000	S&P Smallcaps
DaVita HealthCare Partners Inc.	DVA	2013	Yes	59.94%	Russell 1000	S&P 500
Affiliated Managers Group, Inc.	AMG	2013	Yes	60.12%	Russell 1000	S&P Midcaps
Motorcar Parts of America, Inc.	MPAA	2013	Yes	60.61%		

## Near Say on Pay Failures 2013 (Less Than 75% Support) (cont.)

Company Name	Ticker	Proxy Year	Votes Won	Votes Yes Pctg	Index Russell	Index SP
NorthStar Realty Finance Corp.	NRF	2013	Yes	60.61%	Russell 2000	
First Financial Corporation	THFF	2013	Yes	60.74%	Russell 2000	
Hurco Companies, Inc.	HURC	2013	Yes	60.77%	Russell 2000	
Uroplasty, Inc.	UPI	2013	Yes	60.84%		
Janus Capital Group Inc.	JNS	2013	Yes	61.03%	Russell 2000	S&P Midcaps
Platinum Underwriters Holdings, Ltd.	PTP	2013	Yes	61.07%	Russell 2000	
Comerica Incorporated	CMA	2013	Yes	61.26%	Russell 1000	S&P 500
TCF Financial Corporation	TCB	2013	Yes	61.38%	Russell 1000	S&P Midcaps
USEC Inc.	USU	2013	Yes	61.43%		
Federal Realty Investment Trust	FRT	2013	Yes	61.71%	Russell 1000	S&P Midcaps
Devon Energy Corporation	DVN	2013	Yes	62.07%	Russell 1000	S&P 500
Life Time Fitness, Inc.	LTM	2013	Yes	62.11%	Russell 2000	S&P Midcaps
Eagle Bancorp, Inc.	EGBN	2013	Yes	62.27%	Russell 2000	
Internap Network Services Corporation	INAP	2013	Yes	62.32%	Russell 2000	
Nash-Finch Company	NAFC	2013	Yes	62.32%	Russell 2000	S&P Smallcaps
ITC Holdings Corp.	ITC	2013	Yes	62.34%	Russell 1000	
Goodrich Petroleum Corporation	GDP	2013	Yes	62.46%	Russell 2000	
Vector Group Ltd.	VGR	2013	Yes	62.56%	Russell 2000	
Thompson Creek Metals Company Inc.	TC	2013	Yes	62.80%		
Occidental Petroleum Corporation	OXY	2013	Yes	62.82%	Russell 1000	S&P 500
CEC Entertainment, Inc.	CEC	2013	Yes	63.12%	Russell 2000	S&P Smallcaps
Tangoe, Inc.	TNGO	2013	Yes	63.33%	Russell 2000	S&P Smallcaps
Chelsea Therapeutics International, Ltd.	CHTP	2013	Yes	63.46%	Russell 2000	
Gulfport Energy Corporation	GPOR	2013	Yes	63.52%	Russell 1000	S&P Smallcaps
Capstead Mortgage Corporation	CMO	2013	Yes	63.62%	Russell 2000	
United States Steel Corporation	X	2013	Yes	63.63%	Russell 1000	S&P 500
BioMed Realty Trust, Inc.	BMR	2013	Yes	63.66%	Russell 1000	S&P Midcaps
Bio-Reference Laboratories, Inc.	BRLI	2013	Yes	63.69%	Russell 2000	S&P Smallcaps
Hasbro, Inc.	HAS	2013	Yes	63.91%	Russell 1000	S&P 500
CoStar Group, Inc.	CSGP	2013	Yes	64.09%	Russell 2000	
MEDNAX, Inc.	MD	2013	Yes	64.11%	Russell 1000	S&P Midcaps
S.Y. Bancorp, Inc.	SYBT	2013	Yes	64.29%	Russell 2000	
VCA Antech, Inc.	WOOF	2013	Yes	64.38%	Russell 1000	S&P Midcaps
Pentair Ltd.	PNR	2013	Yes	64.47%	Russell 1000	S&P 500
Mack-Cali Realty Corporation	CLI	2013	Yes	64.60%	Russell 1000	S&P Midcaps

## Near Say on Pay Failures 2013 (Less Than 75% Support) (cont.)

Company Name	Ticker	Proxy Year	Votes Won	Votes Yes Pctg	Index Russell	Index SP
Universal Display Corporation	PANL	2013	Yes	64.62%	Russell 2000	
Autodesk, Inc.	ADSK	2013	Yes	64.70%	Russell 1000	S&P 500
Chemed Corporation	CHE	2013	Yes	64.82%	Russell 2000	S&P Smallcaps
Hologic, Inc.	HOLX	2013	Yes	64.95%	Russell 1000	S&P Midcaps
Belo Corp.	BLC	2013	Yes	65.27%	Russell 2000	
Humana Inc.	HUM	2013	Yes	65.39%	Russell 1000	S&P 500
Medical Properties Trust, Inc.	MPW	2013	Yes	65.40%	Russell 2000	S&P Smallcaps
CYS Investments, Inc.	CYS	2013	Yes	65.42%	Russell 2000	
PRGX Global, Inc.	PRGX	2013	Yes	65.42%	Russell 2000	
Acorda Therapeutics, Inc.	ACOR	2013	Yes	65.63%	Russell 2000	S&P Smallcaps
Boulder Brands, Inc.	BDBD	2013	Yes	65.67%	Russell 2000	
EPIQ Systems, Inc.	EPIQ	2013	Yes	65.71%	Russell 2000	S&P Smallcaps
Manning & Napier, Inc.	MN	2013	Yes	65.81%	Russell 2000	
Tupperware Brands Corporation	TUP	2013	Yes	66.08%	Russell 1000	S&P Midcaps
Cliffs Natural Resources Inc.	CLF	2013	Yes	66.29%	Russell 1000	S&P 500
IBERIABANK Corporation	IBKC	2013	Yes	66.36%	Russell 2000	
SPX Corporation	SPW	2013	Yes	66.57%	Russell 1000	S&P Midcaps
First Financial Northwest, Inc.	FFNW	2013	Yes	66.82%	Russell 2000	
Retail Opportunity Investments Corp.	ROIC	2013	Yes	66.93%	Russell 2000	
Superior Energy Services, Inc.	SPN	2013	Yes	67.01%	Russell 1000	S&P Midcaps
Callidus Software Inc.	CALD	2013	Yes	67.03%	Russell 2000	
Capstead Mortgage Corporation	CMO	2013	Yes	67.05%	Russell 2000	
Stone Energy Corporation	SGY	2013	Yes	67.43%	Russell 2000	S&P Smallcaps
Triangle Petroleum Corporation	TPLM	2013	Yes	67.45%	Russell 2000	
Primus Telecommunications Group, Incorporated	PTGI	2013	Yes	67.52%	Russell 2000	
Tyco International Ltd.	TYC	2013	Yes	67.58%		S&P 500
TGC Industries, Inc.	TGE	2013	Yes	67.65%	Russell 2000	
Pier 1 Imports, Inc.	PIR	2013	Yes	67.77%	Russell 2000	
URS Corporation	URS	2013	Yes	67.80%	Russell 1000	S&P Midcaps
Assured Guaranty Ltd.	AGO	2013	Yes	68.07%	Russell 1000	
Motorola Solutions, Inc.	MSI	2013	Yes	68.22%	Russell 1000	S&P 500
Intel Corporation	INTC	2013	Yes	68.24%	Russell 1000	S&P 500
Mylan Inc.	MYL	2013	Yes	68.39%	Russell 1000	S&P 500
Griffin Land & Nurseries, Inc.	GRIF	2013	Yes	68.42%	Russell 2000	
MAKO Surgical Corp.	MAKO	2013	Yes	68.66%	Russell 2000	
Safeway Inc.	SWY	2013	Yes	69.18%	Russell 1000	S&P 500
First Connecticut Bancorp, Inc.	FBNK	2013	Yes	69.28%	Russell 2000	
Zix Corporation	ZIXI	2013	Yes	69.49%	Russell 2000	



## Near Say on Pay Failures 2013 (Less Than 75% Support) (cont.)

Company Name	Ticker	Proxy Year	Votes Won	Votes Yes Pctg	Index Russell	Index SP
R.R. Donnelley & Sons Company	RRD	2013	Yes	69.58%	Russell 1000	S&P Midcaps
Corning Incorporated	GLW	2013	Yes	69.60%	Russell 1000	S&P 500
Exxon Mobil Corporation	XOM	2013	Yes	69.71%	Russell 1000	S&P 500
Hess Corporation	HES	2013	Yes	70.18%	Russell 1000	S&P 500
Sterling Construction Company, Inc.	STRL	2013	Yes	70.21%	Russell 2000	
Pacer International, Inc.	PACR	2013	Yes	70.21%	Russell 2000	
Furniture Brands International, Inc.	FBNI	2013	Yes	70.27%		
MicroFinancial Incorporated	MFI	2013	Yes	70.27%		
Banc of California, Inc.	BANC	2013	Yes	70.29%	Russell 2000	
First Potomac Realty Trust	FPO	2013	Yes	70.30%	Russell 2000	
Optimer Pharmaceuticals, Inc.	OPTR	2013	Yes	70.65%	Russell 2000	
Atlantic Power Corporation	AT	2013	Yes	70.99%	Russell 2000	
Tessera Technologies, Inc.	TSRA	2013	Yes	70.99%	Russell 2000	S&P Smallcaps
AtriCure, Inc.	ATRC	2013	Yes	71.18%	Russell 2000	
Air Transport Services Group, Inc.	ATSG	2013	Yes	71.19%	Russell 2000	
PICO Holdings, Inc.	PICO	2013	Yes	71.35%	Russell 2000	
Canadian Pacific Railway Limited	CP	2013	Yes	71.49%		TSX 60
Jones Group Inc. (The)	JNY	2013	Yes	71.57%	Russell 2000	
1st United Bancorp, Inc.	FUBC	2013	Yes	71.63%	Russell 2000	
Compass Minerals International, Inc.	CMP	2013	Yes	71.64%	Russell 1000	S&P Midcaps
Independent Bank Corp.	INDB	2013	Yes	71.65%	Russell 2000	S&P Smallcaps
Forest Oil Corporation	FST	2013	Yes	72.03%	Russell 2000	S&P Midcaps
Starbucks Corporation	SBUX	2013	Yes	72.36%	Russell 1000	S&P 500
Visteon Corporation	VC	2013	Yes	72.43%	Russell 1000	
Phillips 66	PSX	2013	Yes	72.45%	Russell 1000	S&P 500
Tidewater Inc.	TDW	2013	Yes	72.47%	Russell 1000	S&P Midcaps
Galena Biopharma, Inc.	GALE	2013	Yes	72.73%	Russell 2000	
Mobile Mini, Inc.	MINI	2013	Yes	72.75%	Russell 2000	S&P Smallcaps
ValueClick, Inc.	VCLK	2013	Yes	72.92%	Russell 2000	S&P Midcaps
Citizens, Inc.	CIA	2013	Yes	72.95%	Russell 2000	
MTR Gaming Group, Inc.	MNTG	2013	Yes	73.10%		
Chipotle Mexican Grill, Inc.	CMG	2013	Yes	73.12%	Russell 1000	S&P 500
Skullcandy, Inc.	SKUL	2013	Yes	73.14%	Russell 2000	
Accuride Corporation	ACW	2013	Yes	73.35%	Russell 2000	
Amtech Systems, Inc.	ASYS	2013	Yes	73.36%		
Monolithic Power Systems, Inc.	MPWR	2013	Yes	73.48%	Russell 2000	S&P Smallcaps
Harvard Bioscience, Inc.	HBIO	2013	Yes	73.53%	Russell 2000	

Near Say on Pay Failures 2013 (Less Than 75% Support) (cont.)

Company Name	Ticker	Proxy Year	Votes Won	Votes Yes Pctg	Index Russell	Index SP
National Fuel Gas Company	NFG	2013	Yes	73.57%	Russell 1000	S&P Midcaps
Itron, Inc.	ITRI	2013	Yes	73.70%	Russell 2000	S&P Midcaps
Activision Blizzard, Inc.	ATVI	2013	Yes	73.87%	Russell 1000	
Dow Chemical Company (The)	DOW	2013	Yes	74.03%	Russell 1000	S&P 500
CommonWealth REIT	CWH	2013	Yes	74.05%	Russell 1000	
Piedmont Natural Gas Company, Inc.	PNY	2013	Yes	74.19%	Russell 2000	S&P Smallcaps
Pepco Holdings, Inc.	POM	2013	Yes	74.20%	Russell 1000	S&P 500
Centene Corporation	CNC	2013	Yes	74.24%	Russell 2000	S&P Smallcaps
Hersha Hospitality Trust	HT	2013	Yes	74.25%	Russell 2000	
Carbonite, Inc.	CARB	2013	Yes	74.46%	Russell 2000	
Connecticut Water Service, Inc.	CTWS	2013	Yes	74.60%	Russell 2000	
Talisman Energy Inc.	TLM	2013	Yes	74.62%		TSX 60
Rochester Medical Corporation	ROCM	2013	Yes	74.71%	Russell 2000	
Cenveo, Inc.	CVO	2013	Yes	74.84%	Russell 2000	
Comtech Telecommunications Corp.	CMTL	2013	Yes	74.90%	Russell 2000	S&P Smallcaps
Luminex Corporation	LMNX	2013	Yes	74.91%	Russell 2000	S&P Smallcaps
Magna International, Inc.	MGA	2013	Yes	74.95%		TSX 60



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